

APPENDIX E

Human Resources Assessment



General Process Assessment

INTRODUCTION

This update details the findings, recommendations, and future steps anticipated as part of the human resources assessment of the Office of Risk Management conducted by **METHODS** Technology Solutions, Inc. The human resources assessment to date has focused mainly on the areas of human resources information security, performance management system, human resource information systems, human resources file system, and human resources management. Subsequent updates will deal more directly in the areas of job descriptions and salary upgrades as part of the ongoing organizational restructuring effort.

SECURITY OF HUMAN RESOURCES INFORMATION

A number of security issues exist relative to human resources information within the Office of Risk Management. These security issues are mainly due to the fact that the Clerk Chief II position that assumes the human resources function within the agency shares an office with the Clerk Chief I position. First, although the Clerk Chief II maintains the human resources files in a secure location, the Clerk Chief II has confidential human resources information at the workstation during the course of the workday that is accessible to the Clerk Chief I as well as daily traffic within the work area. Second, the Clerk Chief II has to produce confidential human resources documentation by computer that is visible to the Clerk Chief I as well as daily traffic within the work area. Third, the Clerk Chief II has to communicate by telephone with supervisors and managers within the agency as well as human resources contacts within the Division of Administration and the Office of Civil Service regarding confidential human resources matters. The Clerk Chief I can easily overhear these conversations as well as daily traffic within the work area. Fourth, the Clerk Chief II has face-to-face discussions with employees, supervisors, and managers regarding sensitive human resources matters that are held in various offices or conference rooms within the agency when available or within the shared work area when no other space is available.

Due to the security risks outlined, the Clerk Chief II position must be situated in a secure location with dedicated office space. As a practical next step, floor plans for the new location of the Office of Risk Management should be evaluated to ensure that the Clerk Chief II position has a secure work area with limited office traffic to limit the exposure of confidential human resource information.

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PERFORMANCE MANAGEMENT SYSTEM

Upon review of the performance management documentation within the agency, the Office of Risk Management appears to be adjusting well to the new performance management system in place within the State of Louisiana. The Clerk Chief II maintains a detailed manual log that documents the fact that the agency is giving 60-day advance notices as well as 14-day follow-up reminders to supervisors and managers of impending employee evaluations. The **METHODS** Project Team recommends automation of this process through the ISIS information system or other means and will work closely with the Clerk Chief II position in this effort.

A critical issue in the area of performance management concerns the fact that performance evaluations and disciplinary actions are not maintained in the employee file system. These documents are currently maintained by each unit manager who maintains a file on each employee. Consequently, no independent central file exists from which to monitor and audit performance management ratings and disciplinary actions, which exposes the agency to risk in the advent of employee grievances and potential litigation. While copies of these documents should be maintained by each unit manager, the originals should be maintained centrally in the employee files by the Clerk Chief II to proactively ensure that disciplinary actions and performance management evaluations are being conducted equitably by supervisors and managers in accordance with Civil Service guidelines.

HUMAN RESOURCES INFORMATION SYSTEM

The human resources information system within the Office of Risk Management is heavily dependent upon manual processes and the utilization of various word processing and spreadsheet software programs that are not integrated. Additionally, the agency does not have an integrated database in which to manage and update human resources information. At this point, the agency has no access to the new ISIS human resources information system in place within the State of Louisiana. In an effort to maximize efficiency within the human resources function, floor plans for the new location of the Office of Risk Management, particularly in the area of telecommunications, should be evaluated to ensure that the Clerk Chief II position has online access to the ISIS human resources information system. The Clerk Chief II position should receive training on the ISIS human resources information system to optimize use of the system.

HUMAN RESOURCES FILE SYSTEM

Upon initial cursory review of the human resources file system, the human resources files appear to be updated and well maintained. However, no clear file classification system exists. Human resources information should be classified into similar groupings and filed in different sections of the file based on a file classification system. The utilization of a file classification system will greatly improve the organization of the human resource file and make it easier for the Clerk Chief II to retrieve information from the files. As a practical next step, a full audit of the human resources file system will be conducted and a file classification system will be recommended.

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HUMAN RESOURCES MANAGEMENT

The Clerk Chief II position that currently manages the human resources function within the Office of Risk Management is clearly tailored toward a clerical versus administrative/managerial function. The Clerk Chief II position focuses on the completion of human resource paperwork and dissemination of human resources information to employees with the more administrative/managerial functions left to human resources personnel within the Division of Administration. The **METHODS** Project Team will conduct an analysis of the human resources function within the other agencies within the Division of Administration as well as other agencies within the State of Louisiana to determine the optimal operational level of the human resources function within the Office of Risk Management.

AGENCY JOB DESCRIPTIONS

Based upon a review of the agency job descriptions, the Office of Risk Management has done an excellent job in documenting the duties and responsibilities of each position within the agency. Upon approval of a new organizational structure, the **METHODS** Project Team will work closely with the unit managers and supervisors to revise the job descriptions in accordance with the new structure.

SALARY UPGRADE REQUESTS

Based upon a review of the salary upgrade requests within the Loss Prevention and Underwriting Units, these departments have done an excellent job in documenting the need for salary upgrades. Upon approval of a new organizational structure, the **METHODS** Project Team will work closely with the unit managers and supervisors within these areas (as well as the other units within the agency) to update and revise salary upgrade requests in accordance with the new structure.

CONCLUSION

The initial human resources assessment has outlined several major issues in the areas of human resources information security, human resources information systems, and the performance evaluation system. Steps should be taken to aggressively address these issues as part of the agency move to a new location, particularly in regard to human resources information security and human resources information systems. As the team continues to study the agency relative to organizational restructuring, additional analysis and recommendations in the areas of job design and compensation will be forthcoming.



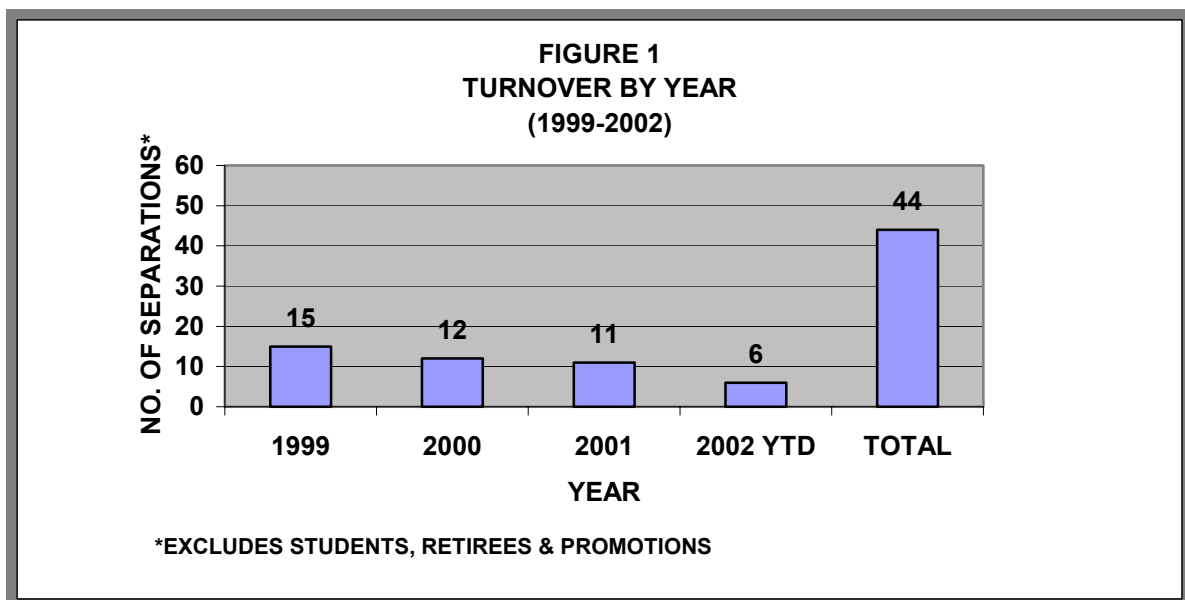
Staff Turnover Assessment

INTRODUCTION

This report analyzes employee turnover activity within the Office of Risk Management from 1999 to present. Turnover activity will be analyzed on the bases of unit and position as well as the agency in totality. Turnover attributable to promotion, retirement and student assignments have been removed to better reflect normal turnover within the agency.

TOTAL AGENCY TURNOVER

As an initial step in analyzing turnover within the Office of Risk Management, the **METHODS** Project Team determined total agency turnover from January 1999 to March 2002. (See Figure 1)



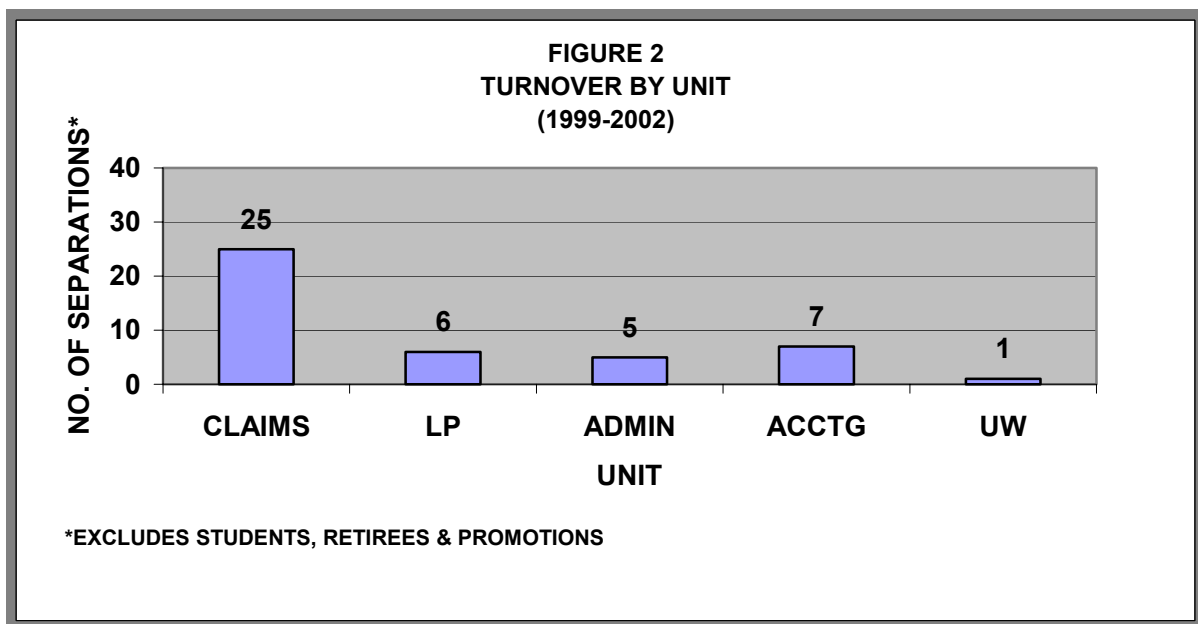
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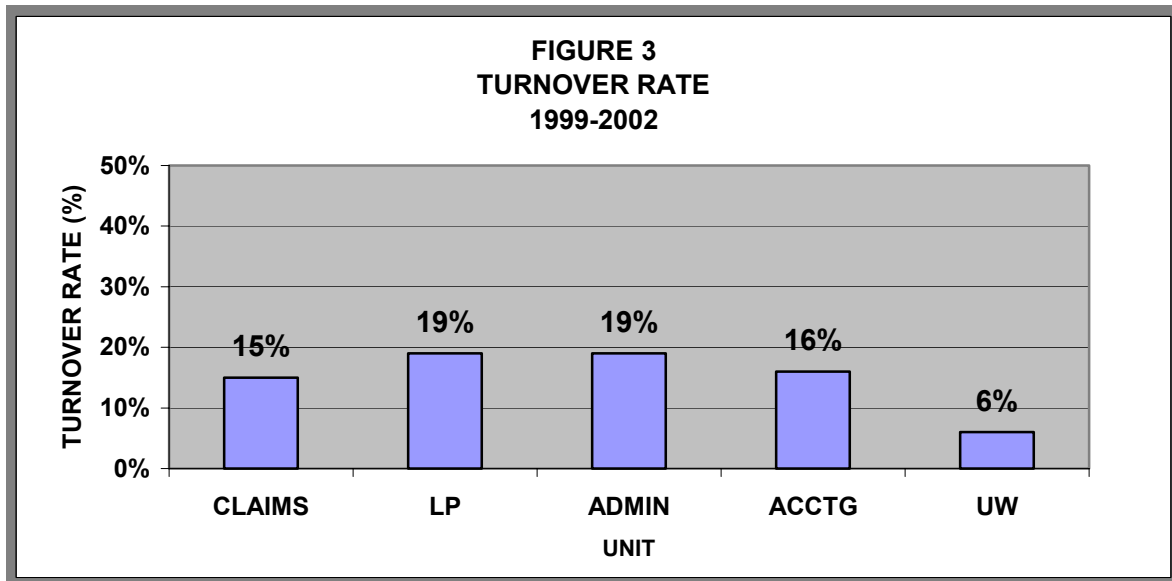
As shown in Figure 1, turnover activity totaled 44 positions during this time period. Additionally, turnover within the agency has consistently ranged from 11-15 positions on an annual basis. Thus, the overall agency turnover rate consistently ranges from 9% to 11%, which is average for a public agency with an employee count ranging from 125-135.

UNIT TURNOVER

In an effort to stratify agency turnover data to uncover turnover trends within the agency, the **METHODS** Project Team analyzed agency turnover data on a unit basis from January 1999 to March 2002. (See Figure 2)



On the surface, it may appear that the claims unit has a disproportionate level of separations compared to the other units within the Office of Risk Management. However, this phenomenon may be attributable to the size of the claims unit relative to the other units within the agency. For this reason, the **METHODS** Project Team has calculated an average turnover rate for each unit in order to control for unit size.



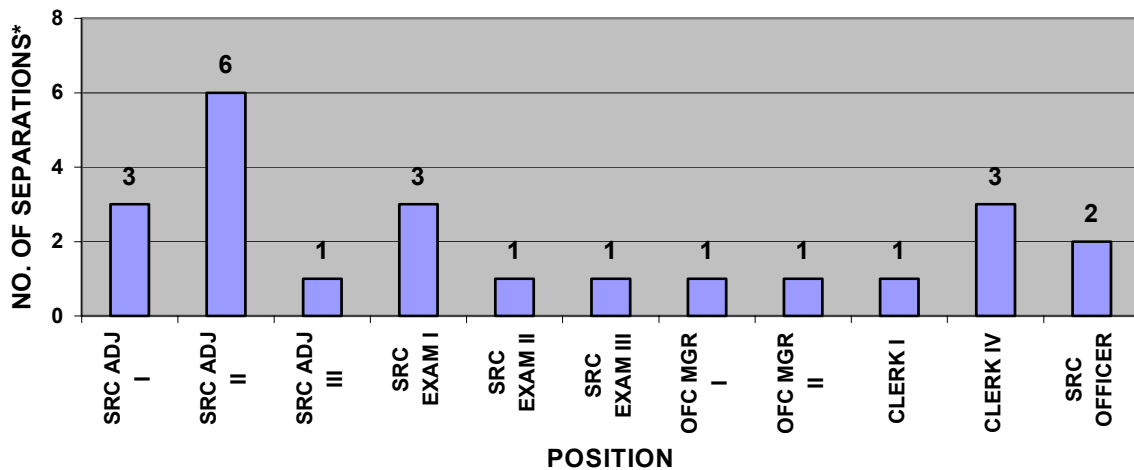
As shown in Figure 3, the turnover rate for the claims unit is in line with the turnover rate for the other units within the Office of Risk Management. Thus, no issues exist specifically within the claims unit relative to the employee turnover rate. Thus, any efforts to impact turnover within the agency should focus on reducing the number of separations, not the turnover rate.

CLAIMS UNIT POSITION TURNOVER

In the interest of determining trends in terms of the number of separations within the claims unit, the **METHODS** Project Team has further stratified agency turnover data by analyzing turnover within the claims unit on a position basis. (See Figure 4) This action has been taken to determine if certain positions within the agency are more prone to turnover to arrive at the appropriate area of focus for developing solutions to reduce employee turnover within the claims unit of the Office of Risk Management.



**FIGURE 4
CLAIMS TURNOVER BY POSITION
(1999-2002)**

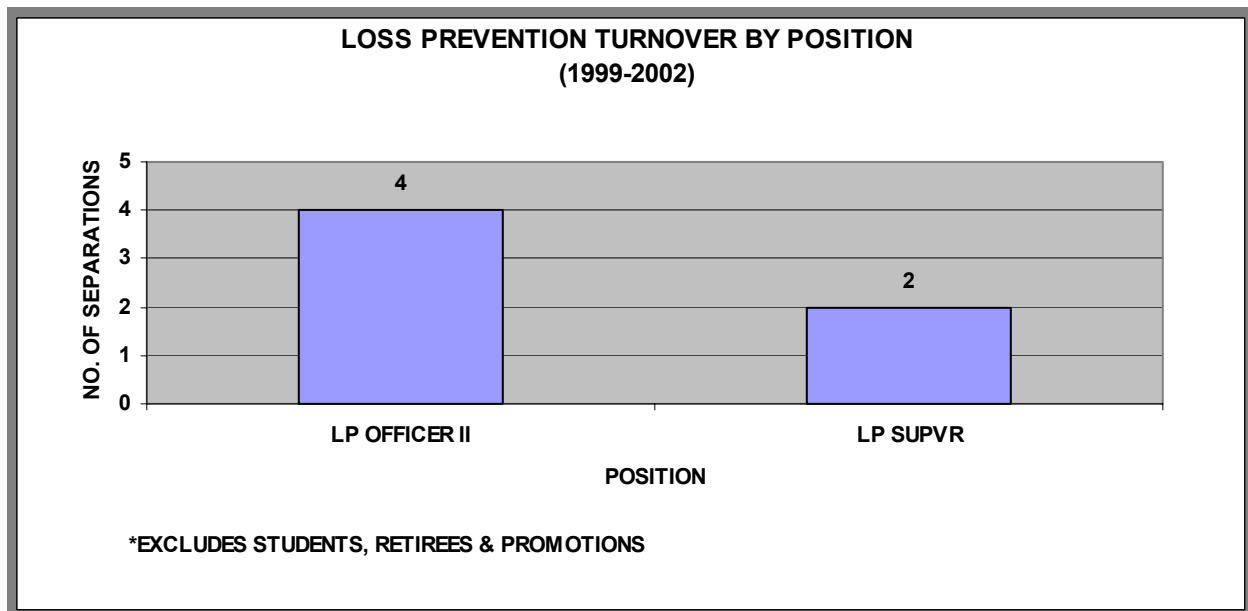
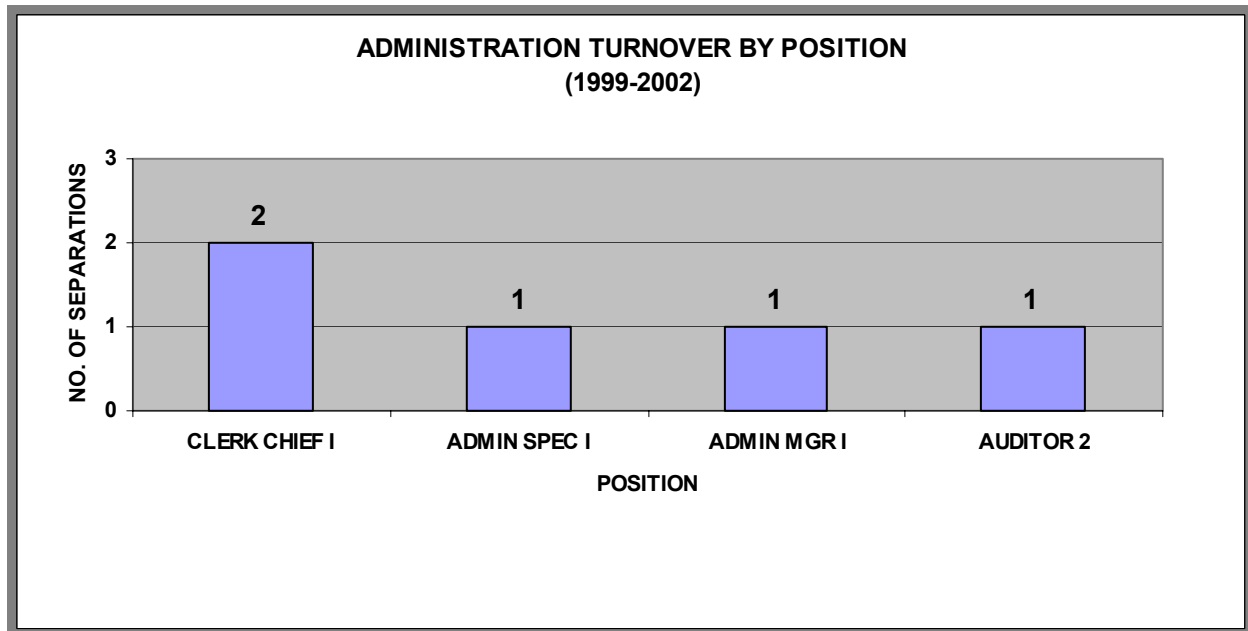


*EXCLUDES STUDENTS, RETIREES & PROMOTIONS

Data displayed in Figure 4 show that discrepancies exist between positions in the claims unit relative to turnover activity. Specifically, greater turnover activity exists within the State Risk Claims Adjuster I, State Risk Claims Adjuster II, State Risk Claims Examiner I, and Clerk IV positions than the other positions within the claims unit. Turnover activity reduces significantly within the Adjuster series once employees progress beyond the State Risk Claims Adjuster II position. Similarly, turnover activity reduces significantly within the Examiner series once employees progress beyond the State Risk Claims Examiner I position. Thus, employee retention efforts in the Adjuster and Examiner series need to center on employees on the front end of the career ladder. The data also indicates that employees in the Clerk series in the claims unit are more likely to leave once they reach the Clerk IV position, which may be due to a lack of promotional opportunities and/or employees reaching their maximum compensation level within the Clerk series. Consequently, great potential exists for job enrichment within the claims unit.

For comparative purposes, position turnover data for the Administration, Loss Prevention, and Accounting units within the Office of Risk Management are available below. Position turnover data for the Underwriting Unit was omitted due to the minimal number of separations (1) experienced within the unit during the three-year span of study.

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